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TAGS: [PGOV](#) [PREL](#) [KS](#)  
SUBJECT: CHUNG DONG-YOUNG: STILL HOPING TO BE KOREA'S NEXT  
PRESIDENT

Classified By: Amb. Alexander Vershbow. Reasons 1.4 (b,d).

SUMMARY

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¶1. (C) In a meeting with the Ambassador, former Unification Minister and Uri Party Chairman Chung Dong-young discussed the resumption of the Six Party Talks, state of the KORUS FTA, future of the Uri party, and the recent elections in the U.S. Chung was confident that the Uri Party could still play a significant role in the ROK 2007 presidential election, despite the enormous lead in the polls for GNP candidates. Chung also stressed the importance of cooperation with the U.S. to ensure that the Six Party Talks were successful and the alliance remained strong. END SUMMARY.

PROGRESS ON FTA

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¶2. (C) In a November 20 meeting with the Ambassador, presidential hopeful Chung Dong-young expressed his support for the FTA but noted Korea's concerns in the areas of rice, public education, and public health. The Ambassador spoke optimistically about recent progress made on the KORUS FTA, informing Chung that the U.S. side hoped to see opening in the auto sector and fair treatment for U.S. innovative pharmaceutical companies. On pharmaceuticals, the Ambassador noted that the Korean industry spent little money on research and development (R&D) and relied more on production of generic brand drugs. If Korea wanted to become a biotech center, it would need to allow for greater profitability in the industry and therefore greater opportunity to recover R&D investments.

URI IN THE MIDST OF A STORM

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¶3. (C) Chung said that his party was in the midst of a storm as its popularity had hit rock-bottom. All strong democracies must have both a ruling and opposition party and therefore, despite being written off by many pundits, he remained confident the Uri Party would field a competitive candidate. The divide between the Uri Party and the Blue House was a sign of a "healthy democracy."

¶4. (C) When the Uri Party was formed in late 2003, it had three goals: to rid the government of corruption, to fully implement democratic principles of governance, and to rid politics of regionalism. Chung said that Uri Party had

succeeded on the first two goals but not the third. The current demands facing the ruling Uri Party were to increase job security, increase the supply of affordable housing, and improve the education system.

#### 2007 PRESIDENTIAL ELECTIONS

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15. (C) Chung downplayed the importance of a merger with the Democratic Party (DP) in the 2007 elections. With an emphasis on the cities rather than the rural southwest where the DP is based, Uri would focus more on explaining how the party would make a better the future for the people through policy innovation and less on trying to distance themselves from the unpopular Roh administration. Chung predicted that a presidential frontrunner would not appear until late in the election process as was the case in 1997 and 2002. The Uri candidate would probably not be named until after the GNP candidate was announced in June 2007. He added that former PM Goh Kun would not be successful in either establishing his own party or in becoming the Uri Party candidate.

#### RELATIONS WITH NORTH KOREA

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16. (C) On North Korea, the Ambassador said that the first priority was to dismantle all North Korea's nuclear capability and then address other issues such as human rights. Secretary Rice emphasized the same priorities in her recent meeting with President Roh in Seoul and added that nuclear proliferation by the DPRK was viewed with the same urgency as need to dismantle North Korea's nuclear program.

17. (C) Chung emphasized the need to work closely with the U.S. to implement the September 19, 2005 Joint Statement as a means to overcome the current nuclear crisis and to firm up the U.S.-ROK alliance. His party shared these common objectives with the USG, and yet differences in approach were often emphasized in the media.

18. (C) The Ambassador agreed that the press had exaggerated some policy differences between the two capitols. Still, there were some disappointments in Washington as Seoul appeared to send mixed signals following the DPRK nuclear test, when the ROKG appeared to back away from the stronger rhetoric President Roh had used during his summit meeting in Washington. The meetings in Hanoi between Presidents Bush and Roh and Secretary Rice and Foreign Minister-designate Song Min-soon were very productive and helped to clear up any lingering confusion. The Ambassador also noted that the ROK's announcement in support of the U.N. resolution on North Korean human rights was welcomed by the USG.

#### PERSPECTIVES ON KJI

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19. (C) Based on his meetings with Kim Jong-il in 2005, Chung suggested that the DPRK regime was more concerned with regime failure than outside military intervention. Chung pointed out the "fortresses" built around the Mt. Geumgang tourism project and the Kaesong Industrial Complex (KIC) showed Kim Jong-il's desire to not accommodate any true exchange through these projects. He expected the DPRK to feel the pinch of the ROK cutting off fertilizer and food aid following North Korea's nuclear and missile tests. Current levels of support from the ROK to North Korea were only one-eighth of past years in both fertilizer and food aid.

110. (C) Chung said that Kim Jong-il was willing to withstand the "attacks" of the Bush administration for a few years and maybe hoping for a more favorable administration in 2009. The DPRK had two options available at present: one was to wait and the other was to negotiate. Given that Kim approached his people in 1994 and asked them to weather a period where only limited outside support was available, Chung said he did not think that Kim would be able to ask his people to do this again. Also, as the freeze on assets at

Banco Delta Asia (BDA) continues to impede the DPRK's financial goals, Chung hoped that Kim would choose to negotiate rather than wait.

¶11. (C) The Ambassador noted that the financial impact of BDA was small in comparison to the potential impact of UNSCR 1718 sanctions. The key to many of these efforts was what role China was willing to play and how tired China was of protecting Kim Jong-il and his regime. Until China put real pressure on the DPRK, the North Korean leadership may feel that they can wait and continue to rely on China and the ROK for assistance.

#### LESSONS LEARNED FROM GERMANY

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¶12. (C) Following a five-month stay in Germany where he studied the history of its unification, Chung identified three main differences between the German situation and that of Korea. One, Koreans had fought against each other in a war in which over two million people were killed. Two, Germans experienced massive exchanges (6 million people in 1989) between the two countries and East Germany had a high level of access to West German media. Three, there was an active religious and civil society in East Germany that assisted with the transition effort. From these observations, Chung suggested that the ROK should work to ease tensions with the DPRK and to increase exchanges, both people and resources, between the two Koreas.

#### PEACE TREATY WITH DPRK?

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¶13. (C) Chung inquired about White House spokesman Tony Snow's announcement that the U.S. would work to establish an official peace treaty on the Peninsula as part of a broader deal with the DPRK. The Ambassador said that this referred to one of the key aspects of the September 2005 Joint Statement. Negotiation of a permanent peace regime would be a strong psychological step toward easing tensions on the

Peninsula. Although there were many issues that would have to be negotiated, the basic idea was to replace the armistice agreement and transform the demilitarized zone (DMZ) into an internationally recognized border. While it seemed that a peace treaty was desired by the DPRK, the Ambassador questioned whether the DPRK regime and its military-first policy could adjust to a new environment in which the neighboring countries were no longer considered enemies.

#### COMMENT

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¶14. (C) Chung Dong-young's fortunes have declined precipitously in a year. Widely considered the front-runner in the ruling Uri Party to succeed President Roh, Chung now finds himself barely registering in the polls and largely marginalized in the party. Among opinion-makers, Chung is faulted for being naive toward the North during his tenure as unification minister. For the party rank-and-file, Chung's short tenure at the helm of the party is viewed as a disaster, leading them to a crushing defeat in the nationwide regional elections earlier this year. Most pundits give Chung little or no role in the upcoming presidential elections, very different from five years ago when Chung was one of the architects of Roh Moo-hyun's victory and, subsequently, the founding of Uri Party.

VERSHBOW